

**Cobtree Manor Estate Financial Position**

<b>Final Decision-Maker</b>	Cobtree Manor Estate Committee
<b>Lead Head of Service</b>	Head of Regeneration & Economic Development
<b>Lead Officer and Report Author</b>	Paul Holland, Senior Finance Manager (Client)
<b>Classification</b>	Public
<b>Wards affected</b>	Boxley

**Executive Summary**

The report summarises the current financial position of the Estate as at 31 March 2018 covering the activities at the golf course, Kent Life, the Manor Park and the Café/Visitor Centre.

**This report makes the following recommendations to this Committee:**

1. That the current financial position be noted.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Cobtree Manor Estate Committee	25 April 2018

# Cobtree Manor Estate Financial Position

## 1. INTRODUCTION AND BACKGROUND

1.1 This is a regular update report on the financial position of the Estate, which enables the Committee to see how the various areas of activity are performing. The last few years have seen a number of significant financial pressures and issues, and it is important for the future of the Estate that these are addressed and monitored.

## 2. CURRENT FINANCIAL POSITION

2.1 The figures in this report are the provisional outturn as at 31 March 2018, so they may be subject to change, although these should only be minor ones. Following discussions with the Chairman and Vice-Chairman the presentation of the figures in the Appendix has been changed to give Members a greater level of detail across the four operational areas. This includes details of which Maidstone Borough Council sections are making charges to the Trust.

2.2 **Appendix 1** shows a summary of the current financial position as at 31 March 2018, along with the full year budgets, and also outlines the position for each of the areas of activity:

### 2.2.1 Overall Summary Position:

#### SUMMARY TOTALS

Heading	Budget 2017/18	Actual 2017/18	Variance against Budget
Cobtree Golf Course	-£123,630	-£118,919	£4,711
Cobtree Manor Park	£64,630	£75,920	£11,290
Kent Life	-£34,140	-£28,843	£5,297
Cobtree Café & Visitor Centre	£71,640	£40,368	-£31,272
<b>Totals</b>	<b>-£21,500</b>	<b>-£31,474</b>	<b>-£9,974</b>
Transfer 2/9ths of Golf Course to MBC		£26,427	
<b>Sub-Total: Operational Surplus</b>		<b>-£5,047</b>	
Investment Income received		-£42,812	
<b>Net increase in resources 2017/18</b>		<b>-£47,859</b>	

Taking into account the transfer of 2/9<sup>ths</sup> of the net golf course surplus to Maidstone Borough Council the operations of the Estate for the year show a small surplus of £5,047, which is in line with earlier projections. Taking into account the investment income received the resources of the Trust have increased by £47,859.

2.2.2 **Cobtree Golf Course** –The new contract with Mytime commenced on 1<sup>st</sup> April 2017. Responsibility for utility payments now rests with Mytime, the transactions that have gone through this year reflect prior year bills that needed to be paid, and Mytime have been recharged for these. Mytime

have been invoiced and paid for the contract sum due for 2017/18. They have also been sent the invoice for the first quarter 2018/19. There is a charge under General Expenses of £7,381 which is VAT that cannot be reclaimed by the Trust as it relates to exempt activities. There was no budget for this as it was unclear what the total charge for the year would be, but one will be included for 2018/19.

Members will be aware from the report elsewhere on this agenda that a proposal has been made to settle the outstanding invoice payment due from Mytime. The invoice in question relates to 2016/17 so will not impact directly on the figures above but it will have an effect on the cashflow of the Trust, and Members have been briefed separately on this.

- 2.2.3 **Cobtree Manor Park** – Car parking income is continuing to generate a healthy level of income. There are also exempt VAT costs of £7,762 in this area. The most significant area of expenditure is grounds maintenance costs, and the breakdown of expenditure in this area is as follows:

<b>Type of works</b>	<b>Cost</b>
Grass cutting and shrub bed maintenance	£44,160
Supply of Labour from MBC Grounds Maintenance Team	£14,447
Tree works	£2,620
General repairs and maintenance	£6,004
<b>Total</b>	<b>£67,231</b>

- 2.2.4 **Kent Life** - There are no issues to report with regards to the Kent Life attraction. The contract with Total Planning Solutions states that the annual sum due is paid a year in arrears, and this has been invoiced, although at the date of writing this report payment had not been received. There are also exempt VAT costs of £5,188 in this area.
- 2.2.5 **Café/Visitor Centre** –The operational position has been monitored across the year and the café has performed significantly better than the initial projections for the year. As Members will be aware management of the café will shortly be passed to an external contractor so the budgets will need to be adjusted to reflect this.

### **3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 3.1 It is recommended that the Committee note the contents of this report as this is good financial management practice.

### **4. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 4.1 Officers will continue to monitor the financial position and take appropriate action where necessary.

## 5. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	The operation of the Estate directly supports the objects of the Trust and the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Head of Regeneration & Economic Development
<b>Risk Management</b>	There is a potential reputational risk if the facilities are operated poorly. This is addressed in the annual risk management report.	Leisure Manager
<b>Financial</b>	There is a financial risk to the Trust if the operations cost more than predicted or fail to generate sufficient income to cover the costs of running them estate.	Senior Finance Manager (Client)
<b>Staffing</b>	There are no additional implications arising from this report.	
<b>Legal</b>	There are no additional implications arising from this report.	Keith Trowell, Interim Team Leader (Corporate Governance)
<b>Privacy and Data Protection</b>	There are no additional implications arising from this report.	
<b>Equalities</b>	There are no additional implications arising from this report.	
<b>Crime and Disorder</b>	There are no additional implications arising from this report.	
<b>Procurement</b>	There are no additional implications arising from this report.	

## 6. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Financial Position Summary 2017/18
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## **7. BACKGROUND PAPERS**

None.